

PLAN OF DISTRIBUTION

OF

PREMERA BLUE CROSS

Pursuant to RCW 24.03.230, the following Plan of Distribution for Premera Blue Cross, a Washington nonprofit corporation formed under RCW Chapter 24.03 (the “Corporation”), shall indicate how the Corporation shall distribute its assets upon its voluntary dissolution:

The Corporation shall apply and distribute the assets of the Corporation as follows:

1. All liabilities and obligations of the Corporation shall be paid, satisfied and discharged, or adequate provision shall be made therefore; provided that, (a) the prior assumption of liabilities by Premera Blue Cross Blue Shield of Alaska, an Alaska corporation, in connection with the transfer of the Alaska assets and liabilities from the Corporation in exchange for the stock of such entity, and (b) the prior assumption of liabilities by [New Premera Blue Cross Corp.], a Washington corporation, in connection with transfer of the Corporation’s assets and liabilities remaining after the Alaska asset transfer (but including the stock of Premera Blue Cross Blue Shield of Alaska) in exchange for stock of [New Premera Blue Cross Corp.], pursuant to the terms of the Transfer of Assets Agreements attached hereto, shall be deemed adequate provision for such liabilities;

2. Once all liabilities and obligations have been paid or adequately provided for, the Corporation’s remaining assets shall be transferred and conveyed to its sole voting member, PREMERA, a Washington nonprofit miscellaneous corporation formed under RCW Chapter 24.06, subject to the restriction that such assets, proceeds of sale and investment income of such assets and proceeds, as invested and reinvested (the “Restricted Assets”), shall be received and held by PREMERA subject to limitations permitting their use only for social welfare and charitable purposes to promote the health of the residents of the States of Washington and Alaska as follows:

(a) As to the residents of the State of Washington, Restricted Assets shall be used to promote the health of the residents of the State of Washington by:

- i. improving health education and awareness;
- ii. improving the quality of health care and access to health care and related services;
- iii. addressing the unmet health care needs of low-income uninsured and underinsured populations;

- iv. supporting the education of health care providers to increase the number of active physicians, including specialists, and nurses in medically underserved areas;
- v. supporting programs aiming to (i) make health care delivery more comprehensive and flexible, and (ii) develop and promote the most efficient uses of health care facilities, resources and services;
- vi. supporting community-based and culturally competent programs that may address one or more of the foregoing purposes;
- vii. conducting health policy research and analysis for the development of health policy that will promote systemic change in the programs and activities related to the foregoing purposes;
- viii. providing grants and establishing programs to carry out such purposes; and
- ix. otherwise serving the health care needs of residents of the State of Washington.

(b) As to the residents of the State of Alaska, the Restricted Assets shall be used to promote the health of the residents of the State of Alaska by:

- i. improving the availability of quality, affordable health care and related services;
- ii. addressing the unmet health needs of Alaskans;
- iii. supporting the education and availability of health care providers in Alaska and develop more efficient and effective models for promoting health in the state;
- iv. supporting programs of study and research aiming to make health and wellness resources more comprehensive, flexible, and efficient within Alaska;
- v. supporting initiatives to address short and long-term public health needs and concerns; and
- vi. otherwise serving the health needs of residents of the State of Alaska.

(c) Under no circumstances shall such assets be used for:

- i. activities that, within the meaning of the Internal Revenue Code of 1986, as amended, would be lobbying, the carrying on of propaganda or otherwise attempting to influence legislation; provided however that in the event the

Articles of Incorporation of either Foundation are amended with the written consent of the respective Attorney General to allow lobbying activities, then nothing in this Agreement shall prevent the Foundations from engaging in lobbying activities as specifically allowed for under the purposes provisions in the Articles of Incorporation of each Foundation as so amended provided that no Common Stock Proceeds may be used for such lobbying activities;

ii. any political campaign on behalf of (or in opposition to) any candidate for public office; or

iii. activities, programs or initiatives that likely would result in material adverse changes in the operations of entities engaged in the business of providing coverage of or the administration of health benefits, including, without limitation, any health insurer, health carrier, health maintenance organization or health plan in Washington or Alaska.

PREMERA BLUE CROSS

By: _____

Its: _____